



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 10, 2006

Robert Steele
HICAL 1 Mine
1055 North 400 East
Nephi, Utah 84648

Subject: Failure to Post Surety, Bob Steele, Hi-Cal, M0230071, Task # 462, Juab County, Utah

Dear Mr. Steele:

Two incomplete requests to amend your tentatively approved mine plan have been received. The amendments are not formatted so they can be incorporated into the as yet approved mine plan. The submittals are just photocopied parts of figures and until complete maps are submitted the Division can not determine if a reduction in surety is appropriate.

The Division granted tentative approval on March 11, 2005 and requested an additional \$8,000 dollar surety. The Division needs to finalize and approve this permit. The request to amend an as yet unapproved plan is causing confusion. Because you are operating a large mine without a large mine permit the Division now requires the immediate posting of the additional \$8000.00 surety. If a site inspection is conducted and reclamation surety is not posted a cessation order may be issued requiring cessation of mining operations and fines.

Please contact Beth Ericksen at (801) 538-5318 (BethEricksen@utah.gov) to obtain the current bonding forms and information to amend the reclamation contract. Current bonding forms and information are also found on the Division's web page at <http://ogm.utah.gov/minerals/>. Please fax a "draft" copy of the documents to (801) 359-3940 for review prior to finalizing the surety.

Any questions or concerns about this, please contact myself or Tom Munson (801) 538-5321.

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:tm:jb

cc: Jerry Mansfield, Fillmore

P:\GROUPS\MINERALS\WP\M023-Juab\M0230071-HiCal\final\potentialCO04032006_sw.doc